STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
November 2008

Date: December 26, 2008

To: All Civil Service/Exempt Departments

From: State Controller's Office
Cynthia Rounds, Manager
Ann Mitchell, Manager
Personnel/Payroll Operations
(916) 324-6290/322-7978

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the November 13, 2008 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the January 8, 2009 meeting.

We would like to thank those department representatives that participated in the November meeting for their time and effort. There were 39 representatives from 26 departments that participated in this meeting.

Personnel/Payroll Review Committee
November 2008 Meeting Notes

Cynthia Rounds called the meeting to order at 1:30.

Departments Represented:

California Housing Finance Agency, California Highway Patrol, California Student Aid Commission, Child Support Services, Developmental Services, Financial Institutions, Fish and Game, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, Health Care Services, Inspector General, Legislative Counsel Bureau, Mental Health, Peace Officers Standards and Training, Pest Regulation, Secretary of State, State Controller's Office, State Teacher's Retirement System, State Treasurer's Office, Statewide Office of Health Planning, Dept. of Technology Services, Transportation, Veteran Affairs, Victim Compensation and Government Claims Board and Water Resources Control Board.

Old Business:

None.

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns

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Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved September 2008 meeting notes.

Guest Speaker:

Kathy James, 21st Century Project:

Within the last two weeks we have finished up having our stakeholder meetings. We had two in Sacramento, one virtual and two live sessions, and one in San Francisco. The meetings were an overview of the entire project and where we are currently. If you had an opportunity to participate – thank you. If you did not, we encourage you to go to the 21st Century Project webpage and find out everything that was talked about during those stakeholder presentations. For our organizational readiness activities, as most of you are aware, we have informed you that we have temporarily suspended the data collection. However, we are hoping that all departments are still working on their preparatory tasks and gathering their org structures and building your employee org relationships. And if you don't know what that means, for all of you that are actually working in the HR shop, someone should be talking to you about the employees and how the organization looks and bringing those employees under their reporting structure. So if you haven't been familiarized with that please make sure that you make contact with your coordinator. If you don't know who your coordinator is, again, on our 21st Century Project webpage you can go there and there is a list of all the coordinators and you can determine who your coordinator is at your facility.

We hope to communicate with all the departments in the next 4-6 weeks on the status of our rollout dates with the deployment order. We currently are continuing to have our monthly chats on the first Tuesday and the first Thursday of every month. There is a virtual session and if you're not getting the contacts via email you can go to the webpage and click on the 'please put my name on the website' and we will notify you with all of the emails and when we have the monthly chats from your desk you can just click on and listen to those chats and get all the information that you need as far as what's happening with the deployment activities. Over the last few weeks we have been providing readiness assessment surveys to the departments and what that means is that we're asking departments to almost complete a report card telling us where you are in the process, how you're understanding, if you need assistance and based on the responses that we're getting back from your departments we make a contact. And if we need to come out and meet with you we do a hands on, face to face, training to get everyone up to date to make sure they're understanding what's going on with the project and that everyone is completing their tasks. A couple of things that are happening right now is all departments are assessing their hardware, your minimum and recommended pc requirements. Right now all the departments are looking at their technical equipment to make sure the systems meet the minimum recommendations in order to be able to run the new MyCalPAYS. We also are releasing today a training assessment survey. This is very important for those of you that are not coordinators, I need you to go back to your HR shop and ask your coordinators on the training needs assessment – we're actually looking at every single

HR shop and we need to know everyone in your HR shop that touches HR. Meaning, if you have an office assistant, attendance clerks, APA staff; every classification in your area, we need to know that so that we can plan a training strategy and provide you the services that you will need to be successful in the implementation of the MyCalPAYS. That survey was released today so please make sure you follow up with that and in January you will receive another readiness assessment survey to report on how your departments are doing. Again we want to thank you for coming out to the meetings and we will keep you posted on what we're doing and we want you to be sure and go to the webpage and find out any information that you need. Our names and numbers are there. Contact us whenever you need assistance and we'll be happy to come out and help you at no charge. I can be reached at 376-1998.

Dave Edwards, Customer Services/Statewide Training:

A couple of things I want to announce. The PAM manuals are becoming very popular again. We are getting a lot of calls asking for a full PAM, but we can only provide revisions. If you remember about four years ago we had that one influx of PAM manuals that cost us a pretty penny to get all those manuals out. Our intention was to have all the departments maintain their own PAM's to try to keep a current or clean copy. When you have new Personnel Specialists starting just send your copy to reproduction. We actually don't have any full PAM's in house. We talked about doing it one more time but with MyCalPAYS coming up so quickly it isn't cost worthy at this point. When you have a Personnel Specialist leave, please don't let them take the PAM. They write all their notes in it then take it when they leave so there isn't a manual to copy. Please be conscientious to keep your copy at your department.

We've been receiving calls asking who has taken Terri Yarbrough's place. Alice Contreras is the new contact person for not only the PAM but the PPM and also the quarterly needs assessments. She's the one that calls your departments and schedules your employees for the statewide classes and leave accounting classes. Her telephone number is 322-0683. If you need a PAM revision she's the one to call. If you need any assistance on the needs assessment or PPM, she's also the one to call.

Statewide training: There have been 1311 requests, and only 650 were able to be scheduled. I know this has been a problem for a lot of departments. We really haven't been very good about getting out there and offering a lot of classes and the reason being is that I've lost Blanca Hoffman, Liz Edwards and Sally Durante.

We have two new training officers on board now, Esli Ligaya and Jerry Glass to compliment Debra Clary. I also have one additional position that I'm going to be advertising. Hopefully, that flyer will be out by the end of this month.

One need that we are not satisfying right now is salary determinations. Right now in salary determinations I have 286 requests for the introduction class and 315 for the advanced training. Unfortunately, right now we can't do anything about it because we don't have anyone that knows salary determinations like Liz did. I'm hoping to get someone in that has a little bit of background in that area.

Fortunately the two new training officers will be training their full classes come the winter of 2009. Jerry is going to be training on the NDI/IDL and Beginning Steps. Esli is training on Employment History Overview and The Fundamentals of Personnel. That leaves four classes outstanding; The Fundamentals of Payroll, Introduction to Salary Determinations, Advanced Salary Determinations and Garnishments. I'm going to pilot the Garnishments class using Connect Pro which is an Adobe tool that MyCalPAYS uses for their data collection. This will provide information statewide on Garnishments, which is a one-day class and is very straight forward with codes and information. Using Connect Pro will allow up to 100 people throughout the state of California to log on to this tool and actually listen to the instruction. If it works well we may go ahead and apply that to other training courses. The reason being is at some point my staff will be heavily involved with the 21st Century roll out. Not everyone is going to be on the 21st Century roll out so we would like to have a tool for those departments still using the legacy system to get the information. We will be sending out a personnel letter to everyone and get a signup and then have the instructor give the actual class using that tool then later use it as a tutorial. So any time you get a new Personnel Specialist coming in you can click on tutorial and get the information. I'm hoping to have something possibly in place by the first of the year for Garnishments.

We want to thank you all for your patience. Every needs assessment the phone rings off the hook wanting to get people in. One of the things that I'm going to be working on with another large department is where they've kind of developed their own internal classes such as Fundamentals of Payroll, and Fundamentals of Personnel, so they can get the basic classes which would allow them to go on to Corrective Actions and other courses that require pre-requisites. We're working with them so they can actually get their employees trained in other areas. If your department needs classes, we do go out to the departments and can provide training as a special for the requesting department so keep that in mind.

On the last needs assessment we had 2,399 requests, minus the four classes we are not giving, we actually have 1,311 requests and of that we are going to be satisfying about 650 of those. So that's less than half. Again if we didn't get you in the winter 2009 classes keep in mind that we do come out to the departments and provide classroom instruction.

Question: Is there a cost involved?

Answer: There is no fee. The only time we charge a fee is if we have to go out of town. Even if you're from a department such as SCIF we will waive the fee if there's a need there.

Question: Is there a minimum number of attendees required?

Answer: We would like it to be at least 10 or more but if you're a department with only six people, call us. We can probably contact another department near by and have them attend also.

For those departments using the California Leave Accounting System, you are seeing some new faces. They are Tracy Williams, Larry Green and we have just hired the final person for the CLAS unit, Helaina Madrano and she'll be starting November 17. I think we had almost 90 requests for initial training; they'll be training steadily each week from January through March 2009. So if you're in the needs assessment you'll be trained next quarter.

There was a leave accounting letter that went out early November discussing the annual purge process. The purge is scheduled for December 6, 2008. If you have to go back retroactively to the year 2003 you have until December 5 to do that. Otherwise on December 6, which is a Saturday, we're going to go and chop off 2003 and it goes to the archives. Your history then will be from January 1, 2004 forward. If you have to do any retroactivity please do it soon.

The last thing I would like to talk about is the furlough. We have been working with DPA quite a bit lately on furlough process. I'm sure you have all have gotten the information regarding the 5% reduction and it's actual furlough time. Right now we don't know how we're going to track this on CLAS or even if we are going to track it on CLAS.

SCO Update:

Cindy Rounds addressed the following information:

Reminder: Tax exempt letters go out in the mail on December 30, 2008 and departments should receive them on January 2, 2009. A listing will be sent to each department in alphabetical order of all the employees that have letters. Please DO NOT update EARs prior to January 2, 2009. All EARs must be keyed by February 14, 2009. The system will automatically change all exempts that have not been updated on February 15, 2009 to Single and 0. This date is hard coded into our system so it changes on the 15th whether it is a weekend or business day. If you have just updated the EAR in December you still must update the EAR between January 2nd and February 14th. Our system only reads changes made between these dates as updates for the new year.

In October we sent out a payroll letter about W2s to make sure address changes are updated and current. There will be a global message on the Statement of Earnings and Deductions also reminding employees to verify their addresses are correct so they will receive their W2s.

<u>IDL Unit</u>

When leaving a phone message, please speak slowly when giving the Social Security number, the phone number; and remember to leave your telephone number extension if you have one.

We have been getting 674Ds requesting IDL supplementation in fractions of hours. Supplementation cannot be paid in fractions of hours unless the employee has a time base that reflects work in tenths of hours.

We want to remind everyone that during the green cycles after master are our heaviest time of the month for disability. That's when we receive all the currents and are trying to process all of them so please don't call to ask if we've received your document. If you faxed it to us and you got a reply on your end of the fax saying it went OK, we received them. Give us at least one green cycle to get them processed before calling.

Direct Deposit

We are receiving a lot of duplicate telephone calls requesting reversals. We have a system that checks for duplicate reversals but when the calls come in the same day the system has not updated before both are processed. When they are keyed on the same day by two different staff they often slip through. Then banks give us back the money – twice. The employee doesn't get any money and we've got to get it issued right back out to them. Please try to make sure you only call on reversals one time.

Also, when you are signing the 699 forms try to audit the form checking to see if it's completed correctly, clearly, that it's signed and dated and has a complete telephone number on it. We key from these forms and if you can't read it or it's not complete we spend a lot of time researching for correct information so that we do not have to send them back. So please if you take an extra few minutes to look them over that will help us in the long run.

Position Control

When sending in inquiries, please make sure you date them and resign them. We need that to process the document.

The final vacant went out October 15 to the legislature and Department of Finance (DOF). We have been getting calls from departments on some positions that still shouldn't have been on there, we're getting a lot of really late documents from DOF; documents you sent to DOF in September to be signed off on and then to be sent to us to take the position off the listing. What we do is reestablish the position for you. We can't rerun the final vacant report once its run (that's it for the year) but we do send a notice to DOF so that they take them off of the final listing that they have.

Retirement

Please check POIS deduction screens for CHP adjustments for the 2% to 4% retirement rate increases. Payment type 2's and 8's retirement amounts withheld are also included in the adjustments.

If adjustments are not attached to the regular or salary increase payments please let us know. Fallout adjustments from July through October 2008 may be attached to the November 2008 Masters. Please make sure they are accurate.

Civil Service Audits

Two items that will be coming out in the November PAM revisions: S50's for SDI must be BOB (beginning of business). The SDI effective date is 7 days after the waiting period.

Towards the end of the year we receive a lot of retirement PARs, many with deferred comp. Please fax these PARs over as early as possible. Do not reduce the copy, instead copy the top and bottom half of the PAR and we will tape it together when we receive it. Please write legibly. Also, do not call our liaison to ask if we received the fax, we do not have time to look for it.

Please do not send more than one copy. The PARs get distributed to staff and if two or more copies come, we are doing duplicate work.

General

We will no longer send a PSD171 notifying departments that we have Stipulations/Decisions from SPB. Once the department receives the Stipulation/Decision from SPB, submit your PAR documentation along with a copy of the Stipulation/Decision.

Kimberly Madson of DPA/Savings Plus asked us to pass on the following information:

DPA/Savings Plus is now conducting ARP training for HR staff and strongly encourage all personnel transaction staff to attend. There are specific dates and locations for the training, but are also offering to conduct on-site training for departments too. PML 2008-34 was released on September 26, 2008 announcing the training and has the link to our website where staff can register online.

One final thing, we sent out Payroll Letter 08-012 regarding documentation cutoff dates for 2008 calendar year end processing. Please make sure you take a moment to look over the letter to make sure you are meeting cutoff dates.

Ann Mitchell addressed the following information:

Please make sure when faxing PARs for the year end separations that after you split them that you can still read item 10, the remarks section. That area is where you document the lump sum and the savings plus. Be sure to double check that it is legible

We asked Bryan Bruno to come and answer questions about Delta Dental but he was unable to attend today. He asked that we take questions and send them to him for response. We will then put both questions and answers in the PPRC meeting notes.

Question (outstanding from last month): What is the eligibility time frame for Delta Dental?

Answer (from William Page): 24 months from date of hire with no permanent break in service during the 24 months (not qualifying pay periods). This includes permanent intermittent employees (PIEs).

Please ask that HR staff phone the benefit liaison number at 323-4718, not individual staff. Our staff are receiving too many calls directly to their phones which is taking time away from their workload. Our workload shifts and it is not always the same person handling the same type of work, or the same group of SSNs.

Question: How long should we wait before expecting a call back?

Answer: We try to return calls within 24 hours but sometimes it takes a day or two. If you leave a message and don't get a call back please call a supervisor. We want to know whether or not we're being responsive to your needs. We have provided org charts in the past so you can contact a supervisor if necessary.

Question: How do I know who the supervisor is?

Answer: The org charts have that information but if you don't have one you can call me at (916) 323-2539 if it's for benefits, non-USPS, miscellaneous deductions, or premium pay. Cindy Rounds can be reached at (916) 324-6290 for the supervisors of disability, direct deposit, position control, civil service audits, retirement/social security and CSU.

Please remember that we no longer accept the old 692 dental forms with a revision prior to February 2008. We are not accepting any more open enrollment dental, new cash option or new reimbursements. If you have any old stock please destroy it. The last day for receipt was November 3. We did accept them thru the. 7th but are now returning them.

There are three different Delta Dental plans: Delta Dental Premier, Delta Preferred Option, and Delta Care USA. Sometimes it is very difficult for us to determine which one is actually being requested. Please be specific which one of these plans your employee is asking for.

When sending documents to us please staple packages securely. Paper clips do not supply enough security given the volumes we receive.

<u>Regarding domestic partners and same sex marriage</u>

It is the agencies' responsibility to correctly compute the party code for these employee's families. We receive many documents that use the party code 2 stating that the employee is either married or registered with the Secretary of State. That does not satisfy the federal government requirement that the benefits be taxable. They must complete a DPA680 if the partner is economically dependant. In that case you would tell us that there needs to be a change to the employee's payroll master file which contains specific information related to the imputed tax issue. Within our system, this is tied to the party code for the specific benefit deduction.

Please refer to PML 2008-017, PPM section H 690 (693), and the BAM section 500 attachment H 4. All of these sources give you the information you need to know to correctly compute the party code.

W2

Be sure to work on having correct addresses on our files for your agency and for employees before the deadlines for W-2 processing.

Calendar year end separations

Please get the paperwork in to our office as quickly as possible for those employees separating at the end of the year with savings plus to be withheld. The timing in December is going to be very critical. The 23rd is a regular green cycle. Production data guidance will be closing at noon on the 24th so anything received at 11a.m. will not be processed before Christmas. The 26th is the absolute last day to get anything in for this calendar year. Please also send the SPP form with the PAR when sending/faxing. Please have any PARs on the 24th to us by 11 am at the latest and on the 26th as well if possible.

Please remind Human Resources office staff when submitting any inquiries or copies of documents, be sure to re-sign them, so we can use them to process as original requests.

The United Way campaign is going on now and agencies should mail all documents back to United Way or if agencies are submitting the forms to us, be sure it is completed and has the employee's original signature. Do not submit the full form; send only the top half of the slip to SCO for processing and the bottom half to United Way.

Saving Bonds

Any new, change or cancellation for savings bonds must be completed on a form 242 and you need a separate one for each account. So if the employee has four bonds and wants to change the amount on all four you need four forms.

Long term disability insurance

The long term disability program (LTD,) handled by Standard Insurance Company, has a revised form dated October 2008. SCO is only excepting the form with the revision date of 10/08. Supplies can be ordered by calling Standard Insurance at 1-888-641-7193.

Threshold for Benefit A/R’s

We will be changing the benefits account receivable threshold to $300. Please remember that if your employee has an economic need to have that amount spread out over more than one pay period, let us know and we will adjust the processing to meet their need.

SDI Issues

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We had several questions and comments on the SDI program and State employees. We will try to get representatives from DPA and EDD to be at the March PPRC meeting. Please get your questions together and plan to attend. If you are out of the area, you may send your questions via email and we will bring them up at the meeting.

Question: Did we ever get an answer about using sick leave for SDI supplementation?

Answer: Per PML 2006-042_A: sick leave may be used as the 40 hours of leave supplementation. Any questions about this or any other provision of SDI must be addressed to DPA and/or EDD.

Question: I'd like to ask of the other attendees here if their departments make employees exhaust all benefits (such as SDI, NDI, etc.) before they can qualify for catastrophic leave?

Answer: This is not an SCO issue and should be addressed to DPA and/or EDD.

Next Meeting:

The next meeting is Thursday, January 8, 2009 from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Ann Mitchell with pertinent information.

Listed below are the PPRC meeting dates for the 2009 calendar year. All meetings are from 1:30 to 3:00 at the above location.

January	8,	2009
March	12,	2009
May	14,	2009
July	9,	2009
September	10,	2009
November	12,	2009

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Ann Mitchell at (916) 323-2539. They can also be reached via email at crounds@sco.ca.gov and anmitchell@sco.ca.gov, respectively.